the Appellate Division was affirmed and the statute held unconstitutional, but on the ground that it applied both to articles manufactured before and after the passage of the statute, and hence was destructive of property rights.) Federal legislation on the use of the flag has been limited to regulations in connection with the registration of trademarks used in foreign and interstate commerce. See 33 St. at L. 724, § 5, Chap. 592, U. S. Comp. Stat. Supp. 1905, p. 670.

CONTRACTS—ASSIGNMENTS OF—RIGHT OF ASSIGNEE AGAINST DEBTOR.—A bridge company, having a contract with a township to build a bridge, assigned the contract in writing to a bank with a copy of the contract attached to the assignment. It was agreed that the assignor should collect the money due on the contract from the township and remit the same to the bank. The bridge company retained possession of the contract, received a time order from the township, and transferred it to another bank, a bona fide purchaser for value. *Held,* the second assignee is entitled to the proceeds of the order, the first bank being estopped. *Washington Township* v. *First National Bank of Huntington et al.* (1907), — Mich. —, 111 N. W. Rep. 349.

This decision is based chiefly on the ruling in *McNeil* v. *Tenth National Bank,* 46 N. Y. 325, 7 Am. Rep. 341. JUSTICES HOOKER and OSTRANDER dissent on the ground that merely intrusting the possession of a non-negotiable thing in action to another for a special purpose is insufficient to estop the real owner from reclaiming his property in case of an unauthorized disposition of it. They distinguish *McNeil* v. *Bank, supra,* from the present case by the fact that in the former case the owner of the corporate stock intrusted "not merely the possession of the property, but also written evidence, over his own signature, of title thereto, and of an unconditional power of disposition over it." *McNeil* v. *Bank, supra.* The dissenting opinion seems to be supported by much authority. The general rule is, that an assignee of a non-negotiable thing in action is subject to all equities existing against the assignor. 2 POMEROY, EQUITY JURISPRUDENCE, § 703; *Sutherland* v. *Reeve,* 151 Ill. 384, 38 N. E. 130; *Bush* v. *Lathrop, 22* N. Y. 535; *Spinning* v. *Sullivan,* 48 Mich. 5, 11 N. W. 758; *Trust Co.* v. *National Bank,* 101 U. S. 68. Therefore, in the case of successive assignees, if the true owner transfers the thing in action upon condition or subject to reservation, and his assignee transfers it absolutely, the second assignee takes it subject to the claims of the true owner. *Bush* v. *Lathrop, supra.* But if the first assignor clothes his immediate assigns with the apparent indicia of title, he is estopped from setting up his claims against a subsequent bona fide purchaser for value from the first assignee. *Pickering* v. *Busk,* 15 East 38; *Brittan* v. *Oakland Bank of Savings,* 124 Cal. 282, 57 Pac. 84, 71 Am. St. Rep. 58; *Moore* v. *Moore,* 112 Ind. 149, 13 N. E. 673, 2 Am. St. Rep. 170. In the case of chattels, however, and by analogy non-negotiable choses in action, mere possession "by whatever means acquired, if there be no other evidence of property or authority to sell * * * will not enable the possessor to give a good title." *McNeil* v. *Bank, supra.* Though authority is with the dissenting justices, the weight of reason and justice is apparently with the majority opinion, since the true

owner, *i. e.*, the first bank, never was in possession of its property and therefore the public could not possibly foresee any claims to the orders from such a source. The effect of the decision is to give non-negotiable town warrants the characteristics of negotiable instruments. This is in accord with the comparatively modern tendency of the courts, as shown by *McNeil* v. *Bank, supra,* and *Moore* v. *Moore, supra,* to extend the doctrines of negotiable paper to certain non-negotiable things in action which business men have become accustomed to treat as negotiable, and thus to facilitate commerce. The Michigan case, however, seems to go a step farther than the other two decisions last mentioned, since it does not require any "unconditional power of disposition" to be given to estop the real owner. In this it follows more nearly the doctrine of *Moore* v. *Metropolitan Bank,* 55 N. Y. 41, 14 Am. Rep. 173.

CORPORATIONS—ACQUISITION OF EXEMPTION IN MERGER.—The Rochester Railroad under authority of the law of New York of 1879 leased and finally absorbed the Brighton Road. The statute provided that all the property, franchises, rights and privileges of the Brighton Road should pass "without change or diminution, as the same were before held and enjoyed." See 182 N. Y. 116. The Rochester Road claimed that a certain exemption from paving passed to it under the word "privileges" in the statute. *Held,* such exemption did not pass to the absorbing company. *Rochester Railway Company* v. *City of Rochester* (1907), 27 Sup. Ct. Rep. 469.

This case seems to settle the rather discordant views heretofore held, and is the result of a tendency to construe such statutes very strictly and not to imply that such exemptions pass but rather require an express statutory direction that they shall pass. *Norfolk & W. R. R. Co.* v. *Pendleton,* 156 U. S. 673; *Yazoo R. Co.* v. *Adams,* 180 U. S. 22; *R. R. Co.* v. *Georgia,* 98 U. S. 363; *Covington etc. Turnpike Road Co.* v. *Sandford,* 164 U. S. 578. The decision expressly overrules *Tennessee* v. *Whitworth,* 117 U. S. 139; *Humphrey* v. *Pegues,* 16 Wall. 244; *Gunter* v. *Atlantic Coast Line R. Co.,* 200 U. S. 273; *Chesapeake R. Co.* v. *Va.,* 94 U. S. 718; *Atlantic & Gulf R. R. Co.* v. *Allen,* 15 Fla. 637; *Phil., Del. & Wilmington R. R. Co.* v. *Md.,* 10 How. 376; *Southwestern R. R. Co.* v. *Ga.,* 92 U. S. 676; *Branch* v. *Charleston,* 92 U. S. 677; *Charleston* v. *Branch,* 15 Wall. 470; *Delaware R. R. Tax Cases,* 18 Wall. 206. In the above cases the word "privileges" is generally given a broader interpretation and the exemptions apply to that portion of the property to which it applied before consolidation. The restricted meaning given to the word "privileges" is found in *Chesapeake & Ohio Ry. Co.* v. *Miller,* 114 U. S. 176; *Picard* v. *East Tennessee etc. R. Co.,* 130 U. S. 637; *Phoenix Ins. Co.* v. *Tennessee,* 161 U. S. 174; and others cited in the opinion. These refer, among other things, to foreclosure sales and sales under trust deeds. It is generally admitted that in such cases the exemptions do not pass without specific statutory direction that they shall pass. This decision includes the case of merger as one in which the strict interpretation will also prevail. Courts, generally, hold that absorption of a corporation with an exemption never enlarges the force of that exemption so as to include